

jignesh v. shah & co.,
CHARTERED ACCOUNTANTS

207, ADDOR AMBITION,
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BESIDE VIMAL HOUSE, NAVRANGPURA,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind Premium Retail Limited

Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS financial statements of Arvind Premium Retail Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

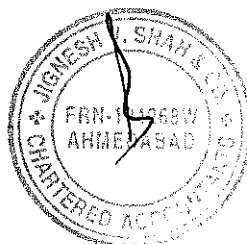
This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

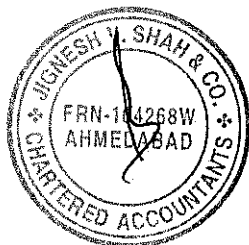
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.



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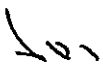
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- (e) On the basis of written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B "
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :
- (i) The Company does not have any pending litigation which would impact its financial positions.
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

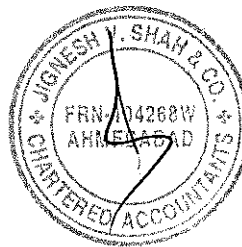
PLACE : AHMEDABAD

FOR JIGNESH V SHAH & CO.,
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS

DATE : 4TH June 2020


JIGNESH SHAH
PROPRIETOR
Membership Number 043363

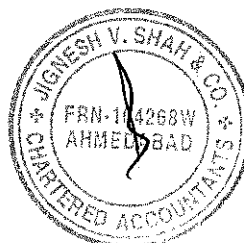
UDIN : 20043363AAAAAI8161



**ANEXURE "A" TO INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENT OF
ARVIND PREMIUM RETAIL LIMITED**

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

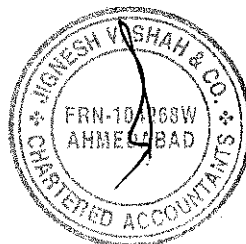
- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Some of the fixed assets were physical verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) There are no immovable properties held in the name of the Company and thus requirement of clause (i) (c) of paragraph 3 of the order are not applicable.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the books records were not material have regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, requirement of clauses (iii,a), (iii, b) and (iii,b) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Section 185 of the Act. However, the Company has advanced loans covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act, have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or other relevant provisions of the Act and the rules framed there under during the year under review. Consequently, requirement of clause (v) of paragraph 3 of the order are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The provisions of maintenance of cost records specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable to the Company during the year under review.



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- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess, Good and Service Tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the outstanding statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at to 31st March, 2020.
- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not availed of any loan or borrowings from financial institution, banks and government. The Company has not issued any debenture. Consequently, requirements of clause (viii) of paragraph 3 of the order are not applicable.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Consequently, requirements of clause (ix) of paragraph 3 of the order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under review.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not paid any Managerial Remuneration during the year under review. Consequently, requirements of clause (xi) of paragraph 3 of the order are not applicable.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a nidhi company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.



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- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (XIV) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

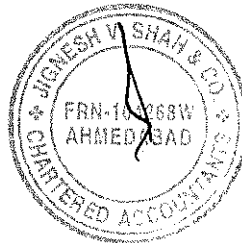
PLACE : AHMEDABAD

FOR JIGNESH V SHAH & CO.
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS

DATE: 4th June 2020


JIGNESH SHAH
PROPRIETOR
Membership Number 043363

UDIN : 20043363AAAAAI8161



Annexure – B TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND PREMIUM RETAIL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Arvind Premium Retail Limited (“the Company”) as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

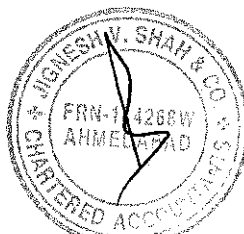
The Company’s management is responsible for establishing and maintaining internal financial controls based on the “internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal controls system over financial reporting.



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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance or records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directions of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion


In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

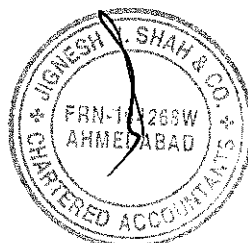
PLACE : AHMEDABAD

DATE: 4th June 2020

UDIN : 20043363AAAAAI8161

FOR JIGNESH V SHAH & CO.
Firm Registration Number FRN 104268W
CHARTERED ACCOUNTANTS


JIGNESH SHAH
PROPRIETOR
Membership Number 043363



Arvind Premium Retail Limited
Balance Sheet as at March 31, 2020

Particulars	Notes	As at March 31, 2020 Rupees	As at March 31, 2019 Rupees
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	-	20,62,531
(b) Intangible assets	6	-	66,76,000
Total non-current assets		-	87,38,531
II. Current assets			
(a) Inventories	9	30,76,082	34,83,233
(b) Financial assets			
(i) Trade receivables	7	31,90,283	1,79,89,718
(ii) Cash and cash equivalents	7	14,263	7,858
(c) Other current assets	8	57,76,508	63,81,183
Total current assets		1,20,57,136	2,78,61,992
Total Assets		1,20,57,136	3,66,00,523
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	2,04,090	2,04,090
Other equity	11	(13,62,87,401)	(11,40,31,685)
Total equity		(13,60,83,311)	(11,38,27,595)
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	4,93,76,016	4,47,85,468
Total non-current liabilities		4,93,76,016	4,47,85,468
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	8,91,03,358	8,79,55,462
(ii) Trade payables	12	18,60,696	1,70,05,367
(iii) Other financial liabilities	12	70,19,978	-
(b) Other current liabilities	13	7,80,399	6,81,821
Total current liabilities		9,87,64,431	10,56,42,650
Total equity and liabilities		1,20,57,136	3,66,00,523
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

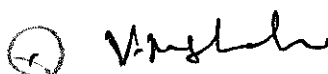
As per our report of even date

For Jignesh V Shah & Co

Chartered Accountants

ICAI Firm's Registration No.104268W

For and on behalf of the Board of Directors of
Arvind Premium Retail Limited



Jignesh Shah

Proprietor

Membership No.043363

Place : Ahmedabad

Date : June 4, 2020

Director Vinit M. Shah

DIN: '08719037

Place : Ahmedabad

Date : June 4, 2020

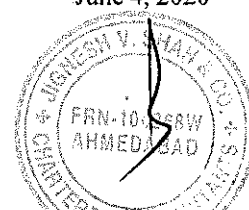
Director Manikandan B

DIN: '08108621

Place : Bengaluru

Date : June 4, 2020

U DIN = 20043363 AAA KA 18161



Arvind Premium Retail Limited
Statement of Profit and Loss for the Year ended 31st March, 2020

Particulars	Notes	Year ended March 31, 2020 Rupees	Year ended March 31, 2019 Rupees
Income			
Revenue from operations			
Sale of Products	14	2,16,438	16,98,050
Revenue from operations		<u>2,16,438</u>	<u>16,98,050</u>
Other income	20	1,43,05,009	-
Total income (I)		<u>1,45,21,447</u>	<u>16,98,050</u>
Expenses			
Purchase of stock-in-trade	15	-	3,91,102
Changes in inventories of stock-in-trade	16	4,07,151	1,70,85,534
Finance costs	17	1,23,90,526	1,15,23,851
Depreciation and amortisation expense	18	66,75,999	38,91,984
Other expenses	19	1,73,03,487	3,64,42,226
Total expenses (II)		<u>3,67,77,163</u>	<u>6,93,34,697</u>
Profit/(Loss) before exceptional items and tax (III)=(I-II)		(2,22,55,716)	(6,76,36,647)
Exceptional items (IV)		-	-
Profit/(Loss) before tax (V) = (III-IV)		(2,22,55,716)	(6,76,36,647)
Total tax expense (VI)		-	-
Profit for the period (VII) = (V-VI)		<u>(2,22,55,716)</u>	<u>(6,76,36,647)</u>
Other comprehensive income for the period, net of tax (VIII)		-	-
Total comprehensive income for the period, net of tax (VII+VIII)		<u>(2,22,55,716)</u>	<u>(6,76,36,647)</u>
Earning per equity share [nominal value per share Rs.10/- (March 31, 2018: Rs.10/-)]			
Basic	20	(1,090)	(3,314)
Diluted	20	(1,090)	(3,314)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Jignesh V Shah & Co

Chartered Accountants

ICAI Firm's Registration No.104268W

JV

Jignesh Shah

Proprietor

Membership No.043363

Place : Ahmedabad

Date : June 4, 2020

For and on behalf of the Board of Directors of
Arvind Premium Retail Limited

(Signature)

Director Vinit M. Shah

DIN: '08719037

Place : Ahmedbad

Date : June 4, 2020

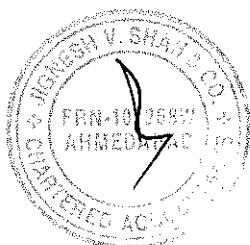
Director Manikandan B

DIN: '08108621

Place : Bengaluru

Date : June 4, 2020

UDPN : 20043362AAAAT8361



Arvind Premium Retail Limited
Statement of Cash Flows for the year ended March 31, 2020

Particulars	Year ended March 31, 2020 Rupees	Year ended March 31, 2019 Rupees
A Operating activities		
Profit Before taxation	(2,22,55,716)	(6,76,36,647)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	66,75,999	38,91,984
Interest and Other Borrowing Cost	1,23,90,526	1,15,23,851
Provision for Doubtful Advances	-	97,973
Provision for Doubtful Debts	1,43,31,788	-
Property, Plant and Equipment Write off	20,62,531	-
Impairment Loss	-	-
Sundry Credit Balances Appropriated	(1,43,05,009)	-
	<u>2,11,55,835</u>	<u>1,55,13,808</u>
Operating Profit before Working Capital Changes	(10,99,881)	(5,21,22,839)
Working Capital Changes:		
Changes in Inventories	4,07,151	1,70,85,534
Changes in trade payables	(8,39,662)	(3,25,35,351)
Changes in other current liabilities	98,578	(1,79,717)
Changes in other financial liabilities	70,19,978	-
Changes in trade receivables	4,67,647	93,90,812
Changes in other current assets	6,04,675	3,32,87,593
Changes in other financial assets	-	34,79,344
Net Changes in Working Capital	77,58,367	3,05,28,215
Cash Generated from Operations	66,58,486	(2,15,94,624)
Direct Taxes paid (Net of Income Tax refund)	-	-
Net Cash from Operating Activities	66,58,486	(2,15,94,624)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	-	-
Net cash flow from Investing Activities	-	-
C Cash Flow from Financing Activities		
Changes in long term Borrowings	45,90,548	41,63,697
Changes in short term borrowings	11,47,896	2,89,32,251
Interest and Other Borrowing Cost Paid	(1,23,90,526)	(1,15,23,851)
Net Cash flow from Financing Activities	(66,52,082)	2,15,72,097
Net Increase/(Decrease) in cash & cash equivalents	6,405	(22,528)
Cash & Cash equivalent at the beginning of the period	7,858	30,386
Cash & Cash equivalent at the end of the period	14,263	7,858

Particulars	Year ended March 31, 2020 Rupees	Year ended March 31, 2019 Rupees
Cash and cash equivalents comprise of: (Note 7)		
Cash on Hand	-	-
Cheques on Hand	-	-
Balances with Banks	14,263	7,858
Cash and cash equivalents	14,263	7,858
Cash and cash equivalents as restated	14,263	7,858

For Jignesh V Shah & Co
Chartered Accountants
ICAI Firm's Registration No.104268W

Jignesh Shah
Proprietor
Membership No.043363
Place : Ahmedabad
Date : June 4, 2020

For and on behalf of the Board of Directors of
Arvind Premium Retail Limited

(X) V. M. Shah

Director Vinit M. Shah
DIN: '08719037
Place : Ahmedabad
Date : June 4, 2020

Director Manikandan B
DIN: '08108621
Place : Bengaluru
Date : June 4, 2020

UAPR; 20063362AARAD8261



Arvind Premium Retail Limited

Statement of changes in Equity for the year ended March 31, 2020

A. Equity share capital

Balance	Amount
	Note 10
As at April 1, 2018	2,04,090
Issue of Equity Share capital	-
As at March 31, 2019	2,04,090
Issue of Equity Share capital	-
As at March 31, 2020	2,04,090

B. Other equity

Particulars	Reserves and Surplus		Total equity
	Equity Component of Preference Share	Retained Earnings	
	Note 11	Note 11	
Balance as at April 1, 2018	2,31,65,205	(6,95,60,243)	(4,63,95,038)
Profit for the period	-	(6,76,36,647)	(6,76,36,647)
other comprehensive income for the period	-	-	-
Total Comprehensive income for the period the year	-	(6,76,36,647)	(6,76,36,647)
	-	-	-
Balance as at March 31, 2019	2,31,65,205	(13,71,96,890)	(11,40,31,685)
Balance as at April 1, 2019	2,31,65,205	(13,71,96,890)	(11,40,31,685)
Profit for the period	-	(2,22,55,716)	(2,22,55,716)
other comprehensive income for the period	-	-	-
Total Comprehensive income for the period the year	-	(2,22,55,716)	(2,22,55,716)
	-	-	-
Balance as at March 31, 2020	2,31,65,205	(15,94,52,606)	(13,62,87,401)

Jignesh Shah

Proprietor

Membership No.043363

Place : Ahmedabad

Date : June 4, 2020

(x)

V. M. Shah

Director

Vinit M. Shah

DIN:

'08719037

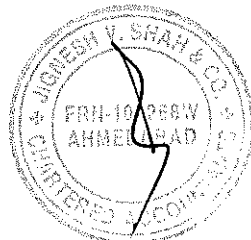
Place :

Ahmedbad

Date :

June 4, 2020

UDIN: 20043363 AAAA-28461



Director

Manikandan B

DIN:

'08108621

Place :

Bengaluru

Date :

June 4, 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

1. CORPORATE INFORMATION

Arvind Premium Retail Limited (“the Company”) is a Joint venture between Arvind Limited and Premium Retail Pvt Ltd. The Company is engaged in distribution and marketing of Footwear through brand Johnson & Murphy

The company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India

The registered office of the company is located at Main Building Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Gujarat.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”) and other relevant provision of the Act. The financial statements for the year ended March 31, 2017 are the first financial statements that the company had prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in INR and all values are rounded to the nearest rupee.

3. Summary of Significant Accounting Policies

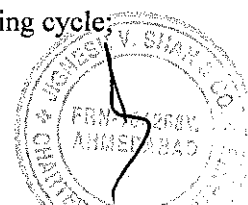
The following are the significant accounting policies applied by the company in preparing its financial statements

3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;



- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2 Foreign currencies

The company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency first at spot rates as on date of the transaction, qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

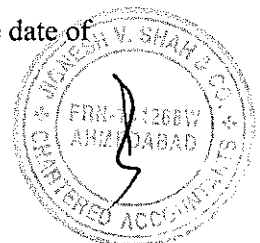
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition



3.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

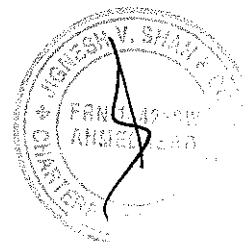
Depreciation

Depreciation on property, plant and equipment is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery other than Lab equipment and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery and Leasehold Improvements is provided on straight line basis over the useful lives of the assets as estimated by management based on internal assessment. The management estimates the useful lives as follows:

Assets	Useful Life
Computer & Pheripherals	3 Years
Furnitures & Fixtures	10 Years
Office Equipments	5 Years
Brands	5 Years
Leasehold Improvements	6 Years



The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

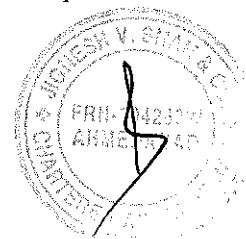
A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

3.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation

Patent/Knowhow is amortized over its useful life of 5 years.

3.7 Inventories

Inventories of Stock-in-trade are valued at the lower of cost and net realisable value..

Costs incurred in bringing Stock-in-trade to its present location and condition are accounted for as follows:

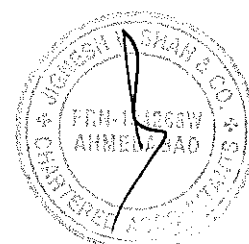
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into



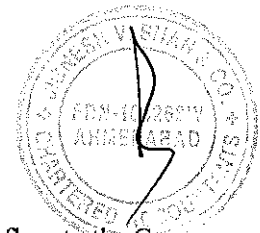
account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.



3.9 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, GST, net of returns and allowances, trade discounts and volume rebates.

Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.10 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

3.11 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction 2 either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

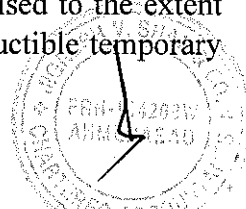
Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary



differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

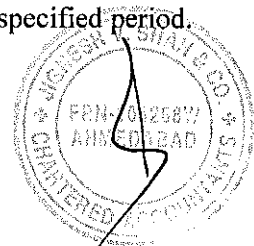
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.



3.12 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average

number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.13 Provisions

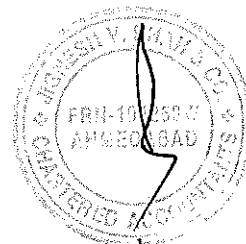
General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Company records a provision for decommissioning costs of a manufacturing facility for the production of engines. Decommissioning costs are provided at the present value of expected costs to settle the obligation, to the extent ascertainable, using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset



3.14 Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Finance lease commitments – Company as lessee

The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.



4.2 Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Intangible assets

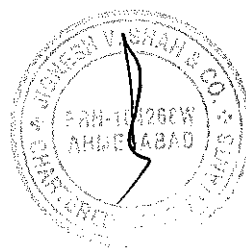
Refer Note 3.6 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 2.

Property, plant and equipment

Refer Note 3.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 1.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Arvind Premium Retail Limited
Notes to the Financial Statements

Note 5 : Property, plant and equipment

Fixed Assets	Furniture & fixture	Leasehold improvements	Total
Cost - Gross Block			
As at 1st April 2018	1,55,883	34,05,320	35,61,203
Addition	-	-	-
Deduction	-	-	-
As at March 31, 2019	1,55,883	34,05,320	35,61,203
Addition	-	-	-
Deduction	(1,55,883)	(34,05,320)	(35,61,203)
As at 31st March 2020	-	-	-
Depreciation and Impairment			
As at 1st April 2018	1,131	9,43,557	9,44,688
Depreciation for the period	14,809	5,39,175	5,53,984
Deductions	-	-	-
As at March 31, 2019	15,940	14,82,732	14,98,672
Depreciation for the period	-	-	-
Deductions	15,940	14,82,732	14,98,672
As at 31st March 2020	-	-	-
Net Block			
As at 31st March 2020	-	-	-
As at March 31, 2019	1,39,943	19,22,588	20,62,531

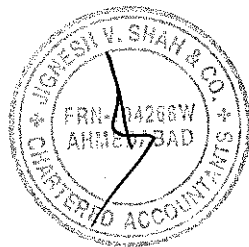


Arvind Premium Retail Limited

Notes to the Financial Statements

Note 6 : Intangible assets

Intangible assets	Patent & Technical knowhow	Total
Cost - Gross Block		
1st April 2018	1,66,90,000	1,66,90,000
Additions	-	-
Deductions	-	-
As at March 31, 2019	1,66,90,000	1,66,90,000
Additions	-	-
Deductions	1,66,90,000	1,66,90,000
As at 31st March 2020	-	-
Amortisation and Impairment		
1st April 2018	66,76,000	66,76,000
Amortisation for the period	33,38,000	33,38,000
Deductions	-	-
As at March 31, 2019	1,00,14,000	1,00,14,000
Amortisation for the period	66,75,999	66,75,999
Deductions	1,66,89,999	1,66,89,999
As at 31st March 2020	-	-
Net Block		
As at 31st March 2020	-	-
As at March 31, 2019	66,76,000	66,76,000



Arvind Premium Retail Limited
Notes to the Financial Statements

Note 7 : Financial assets

7 (a) Trade receivables

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Current		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	31,90,283	2,04,35,934
Doubtful		
Less : Allowance for doubtful debts	-	(26,11,635)
	31,90,283	1,78,24,299
Other receivables		
Unsecured, considered good	-	1,65,419
	-	1,65,419
Total Trade and other receivables	31,90,283	1,79,89,718
Non-current	-	-
Current	31,90,283	1,79,89,718

Allowance for doubtful debts

Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Balance at the beginning of the year	26,11,635	26,11,635
Add : Allowance for the year	-	-
Less : Write off of bad debts (net of recovery)	26,11,635	-
Balance at the end of the year	-	26,11,635

7 (b) Cash and cash equivalent

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Balance with Bank		
Current account balance	14,263	7,858
Total cash and cash equivalents	14,263	7,858

7 (c) Other financial assets

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Non-current		
Security deposits	-	-
Total financial liabilities	-	-
Non-current		
Current	-	-

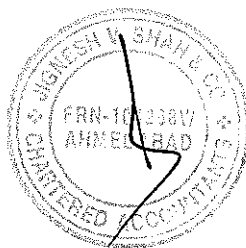


Note 8 : Other current / non-current assets

Particulars	As at 31st March 2020	As at March 31, 2019
	In Rs.	In Rs.
Non-current		
Capital advances	-	1,79,011
Less : Provision for doubtful advances	-	(1,79,011)
	-	-
Current		
Advance to suppliers	-	-
Sales tax / VAT / service tax receivable (net)	57,76,508	63,68,643
Prepaid expenses	-	12,540
	57,76,508	63,81,183
Total	57,76,508	63,81,183

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at 31st March 2020	As at March 31, 2019
	In Rs.	In Rs.
Stock-in-trade	30,76,082	34,83,233
Total	30,76,082	34,83,233



Note 10 : Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	In Rs.	No. of shares	In Rs.
Authorised share capital				
Equity shares of Rs.10 each	1,00,000	10,00,000	1,00,000	10,00,000
Issued and subscribed share capital				
Equity shares of Rs.10 each	20,409	2,04,090	20,409	2,04,090
Paid up Share Capital				
Equity shares of Rs.10 each	20,409	2,04,090	20,409	2,04,090
Total	20,409	2,04,090	20,409	2,04,090

10.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	In Rs.	No. of shares	In Rs.
At the beginning of the period	20,409	2,04,090	20,409	2,04,090
Add :				
Shares issued during the year	-	-	-	-
Outstanding at the end of the period	20,409	2,04,090	20,409	2,04,090

10.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

10.3. Shares held by holding Company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	In Rs.	No. of shares	In Rs.
Arvind Limited and its Nominees	10,409	51.00	10,409	51.00
Premium Retail Private Limited	10,000	49.00	10,000	49.00

10.4. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	In Rs.	No. of shares	In Rs.
Arvind Limited and its Nominees	10,409	51.00	10,409	51.00
Premium Retail Private Limited	10,000	49.00	10,000	49.00

10.5. Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2017)

10,000 Equity Shares of Rs. 10 each were issued & Allotted during the year 2016-2017 to M/s Premium Retail Private Limited as consideration other than cash towards aquisition of business



Arvind Premium Retail Limited
Notes to the Financial Statements

Note 11 : Other Equity

Balance	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Note 11.1 Reserves & Surplus		
Other Equity Issues (Pref.shares to ABRL)		
Balance as per last financial statements	2,31,65,205	2,31,65,205
Balance at the end of the year	<u>2,31,65,205</u>	<u>2,31,65,205</u>
Surplus in statement of profit and loss		
Balance as per last financial statements	(13,71,96,890)	(6,95,60,243)
Add: profit/(Loss) for the year	(2,22,55,716)	(6,76,36,647)
	<u>(15,94,52,606)</u>	<u>(13,71,96,890)</u>
Less: Appropriation		
Balance at the end of the year	<u>(15,94,52,606)</u>	<u>(13,71,96,890)</u>
Total reserves & surplus	<u>(13,62,87,401)</u>	<u>(11,40,31,685)</u>
Total Other equity	<u>(13,62,87,401)</u>	<u>(11,40,31,685)</u>

Note 12 : Financial liabilities

12 (a) Long-term Borrowings

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Long-term Borrowings		
Non-current portion		
Unsecured		
Debt Component of Preference Shares	4,93,76,016	4,47,85,468
	<u>4,93,76,016</u>	<u>4,47,85,468</u>
Total long-term borrowings	<u>4,93,76,016</u>	<u>4,47,85,468</u>
Short-term Borrowings		
Unsecured		
Intercorporate Deposits		
From Related Parties	8,91,03,358	8,79,55,462
Total short-term borrowings	<u>8,91,03,358</u>	<u>8,79,55,462</u>
Total borrowings	<u>13,84,79,374</u>	<u>13,27,40,930</u>

Rate of Interest

Inter Corporate Deposit carries interest rate of 8.75% per annum.



Arvind Premium Retail Limited
Notes to the Financial Statements
12 (b) Trade payable

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Current		
Other trade payable (Refer note below)	18,60,696	1,70,05,367
	<u>18,60,696</u>	<u>1,70,05,367</u>
Total	18,60,696	1,70,05,367

Acceptance and Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise. have not been given.

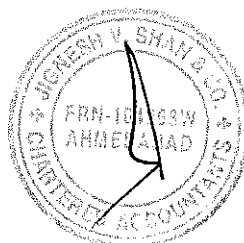
The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

12 (c) Other financial liabilities

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Current		
Interest accrued but not due	70,19,978	-
	<u>70,19,978</u>	<u>-</u>
Total	70,19,978	-

Note 13 : Other current / Non-current liabilities

Particulars	As at 31st March 2020 In Rs.	As at March 31, 2019 In Rs.
Current		
Statutory dues including provident fund and tax deducted at source	7,80,399	6,81,821
	<u>7,80,399</u>	<u>6,81,821</u>
Total	7,80,399	6,81,821



Note 14 : Revenue from operations

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Sale of products	2,16,438	16,98,050
Total	2,16,438	16,98,050

Details of sale of goods and services

Sale of products (gross)

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Footwear	2,16,438	16,98,050
Total	2,16,438	16,98,050

Reconciliation of revenue from operation with contract price

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Revenue from contract with customers as per the contract price	2,16,438	5,70,39,515
Adjustment made to contract price on account of:		
a) Discounts and Rebates	-	5,53,41,464
b) Sales Return		
Revenue from Operations	2,16,438	16,98,050

Note 20 : Other income

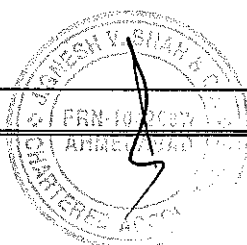
Particulars	Period ended June 30, 2017	
Provision no longer required	1,43,05,009	-
Total	1,43,05,009	-

Note 15 : Purchases of stock-in-trade

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Footwear	-	3,91,102
Total	-	3,91,102

Note 16 : Changes in inventories of stock-in-trade

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Stock at the end of the year		
Stock-in-trade	30,76,082	34,83,233
	30,76,082	34,83,233
Stock at the beginning of the year		
Stock-in-trade	34,83,233	2,05,68,767
	34,83,233	2,05,68,767
(Increase) / Decrease in stocks	4,07,151	1,70,85,534
Total	4,07,151	1,70,85,534



Arvind Premium Retail Limited
Notes to the Financial Statements

Note 17 : Finance costs

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Interest expense - others	1,23,90,526	1,15,23,851
Total	1,23,90,526	1,15,23,851

Note 18 : Depreciation and amortization expense

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Depreciation on Tangible assets (Refer Note 5)	-	5,53,984
Amortization on Intangible assets (Refer Note 6)	66,75,999	33,38,000
Total	66,75,999	38,91,984

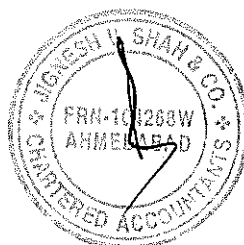
Note 19 : Other expenses

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Power and fuel	-	10,863
Insurance	25,490	31,539
Printing, stationery & communication	-	10,500
Rent	-	4,60,238
Rates and taxes	6,31,092	6,673
To others	-	2,03,130
Freight, insurance & clearing charge	-	25,983
Royalty on Sales	-	3,25,27,350
Bad debt written off	1,43,31,788	-
Legal & Professional charges	1,97,217	6,10,273
Conveyance & Travelling expense	-	14,350
Miscellaneous Labour charges	-	11,46,859
Auditor's remuneration	50,000	50,000
Bank charges	5,369	8,551
Property, Plant and Equipment Write off	20,62,531	-
Bad debts and irrecoverable balances written off	-	12,18,520
Miscellaneous expenses	-	1,17,397
Total	1,73,03,487	3,64,42,226

Payment to Auditors *

Particulars	For Year ended March	For Year ended March
	31, 2020	31, 2019
	In Rs.	In Rs.
Payment to Auditors as		
Auditors	50,000	50,000
Total	50,000	50,000

* Above is part of Other expenses disclosed under Note 15



Arvind Premium Retail Limited
Notes to the Financial Statements

Note 20 : Earning per share

Particulars	2019-20	2018-19
	In Rs.	In Rs.
Earning per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	(2,22,55,716)	(6,76,36,647)
Total no. of equity shares at the end of the year	20,409	20,409
Weighted average number of equity shares		
For basic EPS	20,409	20,409
For diluted EPS	20,409	20,409
Nominal value of equity shares		
Basic earning per share	(1,090)	(3,314)
Diluted earning per share	(1,090)	(3,314)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	20,409	20,409
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	20,409	20,409

Note 21 : Lease Rent

Operating Lease

- (A) The Company has entered into operating lease arrangements for certain facilities and office Premises. The leases are non-cancellable.

The particulars of these leases are as follows:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Future Minimum lease payments obligation on non-cancellable operating leases:	-	-
Not later than one year		
Later than one year and not later than five years		
Later than five years		
Lease Payment recognised in Statement of Profit and Loss	-	4,60,238



Arvind Premium Retail Limited

Notes to the Financial Statements

Note 22 : Related Party Disclosures

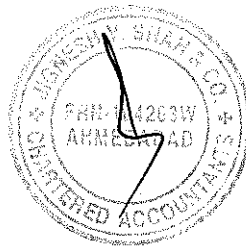
As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

a Name of Related Parties and Nature of Relationship :

1	Arvind Limited	Holding Company
2	Premium Retail Private Limited	Joint Venture
3	Arvind Fashion Limited	Company under the control of KMP of Holding Company
4	Arvind Lifestyle Brands Limited	Company under the control of KMP of Holding Company

b Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year ended	
	March 31, 2020	March 31, 2019
Sales of Goods and Materials		
Arvind Limited	-	4,161
Purchases of Goods and Materials		
Arvind Limited	-	7,37,460
Interest Expenses		
Arvind Limited	1,23,90,526	1,15,23,851
Receiving of Services		
Arvind Lifestyle Brands Limited	-	21,600
Loan Given/(Repaid) (Net)		
Arvind Limited	11,47,896	2,23,08,113

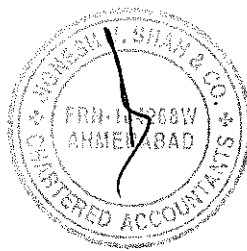


Arvind Premium Retail Limited
Notes to the Financial Statements

22. c. Transactions and Balances :

Particulars	Holding Companies		Company under the control of KMP of Holding Company		Total	
	Year ended		Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Transactions						
Sales of Goods and Materials	-	4,161	-	-	-	4,161
Purchase of Goods and Materials	-	7,37,460	-	-	-	7,37,460
Receiving of Services	-	-	-	21,600	-	21,600
Interest Expenses	1,23,90,526	1,15,23,851	-	-	1,23,90,526	1,15,23,851
Loan Given/(Repaid) (Net)	11,47,896	2,23,08,113	-	-	11,47,896	2,23,08,113

Particulars	Holding Companies		Company under the control of KMP of Holding Company		Total	
	Year ended		Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Balance as at year end						
Payable in respect of loans	8,91,03,358	8,79,55,462	-	-	8,91,03,358	8,79,55,462
Trade Receivable	-	-	-	36,886	-	36,886
Trade Payable	-	-	12,54,333	12,87,535	12,54,333	12,87,535



Note 23 (a) : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

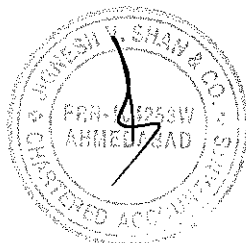
Particulars	Carrying amount		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	In Rs.	In Rs.	In Rs.	In Rs.
Financial assets				
Investments measured at cost	-	-	-	-
Investments measured at fair value through OCI	-	-	-	-
Investments measured at amortised cost	-	-	-	-
Trade receivables	31,90,283	1,79,89,718	31,90,283	1,79,89,718
Cash and cash equivalents	14,263	7,858	14,263	7,858
Total	32,04,546	1,79,97,576	32,04,546	1,79,97,576
Financial liabilities				
Borrowings	13,84,79,374	13,27,40,930	13,84,79,374	13,27,40,930
Trade payables	18,60,696	1,70,05,367	18,60,696	1,70,05,367
Other financial liabilities	70,19,978	-	70,19,978	-
Total	14,73,60,048	14,97,46,296	14,73,60,048	14,97,46,296

The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.



Arvind Premium Retail Limited

Notes to the Financial Statements

Note 23(b) : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2020 and March 31, 2019

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.

As at March 31, 2020

Assets for which fair values are disclosed

Trade receivables	March 31, 2020	31,90,283	-	31,90,283	-
Cash & cash equivalents	March 31, 2020	14,263	-	14,263	-

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.

As at March 31, 2019

Assets for which fair values are disclosed

Trade receivables	March 31, 2019	1,79,89,718	-	1,79,89,718	-
Cash & cash equivalents	March 31, 2019	7,858	-	7,858	-

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2020 and March 31, 2019

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.

As at March 31, 2020

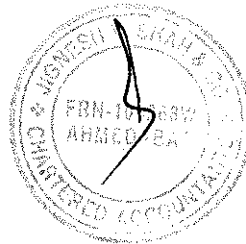
Liabilities disclosed at fair value

Borrowings	March 31, 2020	13,84,79,374	-	13,84,79,374	-
Trade payables	March 31, 2020	18,60,696	-	18,60,696	-
Other financial liabilities#	March 31, 2020	70,19,978	-	70,19,978	-

As at March 31, 2019

Liabilities disclosed at fair value

Borrowings	March 31, 2019	13,27,40,930	-	13,27,40,930	-
Trade payables	March 31, 2019	1,70,05,367	-	1,70,05,367	-
Other financial liabilities#	March 31, 2019	-	-	-	-



Note 24 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%
- 10% increase / decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019, March 31, 2018, March 31, 2017, March 31, 2016 and April 1, 2015 including the effect of hedge accounting.

Interest rate risk

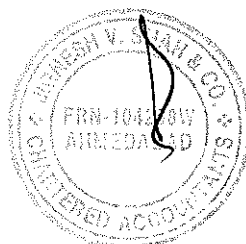
Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps or cross-currency interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

As at March 31, 2019, after taking into account the effect of interest rate swaps, approximately 100% of the Company's Borrowings are at fixed rate of interest (March 31, 2016 : NA and April 1, 2015 : NA)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



	Effect on profit before tax	Effect on pre-tax equity
March 31, 2020		
Increase in 50 basis points	Not Applicable	Not Applicable
Decrease in 50 basis points		
March 31, 2019		
Increase in 50 basis points	Not Applicable	Not Applicable
Decrease in 50 basis points		

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign currency risk

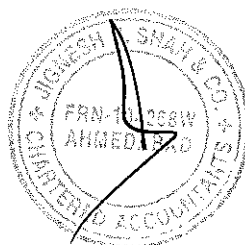
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Company may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD ,EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2020	+2%	-	-
	-2%	-	-
March 31, 2019	+2%	-	-
	-2%	-	-

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.



(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 45 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 5. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow:

Trade receivables as at	Neither past due nor impaired (including unbilled)	Past due but not impaired			Total
		Less than 30 days	30 to 60 days	60 to 90 days	
March 31, 2020	-	-	-	-	31,90,283
March 31, 2019	-	-	-	-	1,79,89,718

The requirement of impairment is analysed as each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2020 and March 31, 2019 is the carrying amount as disclosed in Note 21.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 2 to 5	Due after 5 years	Total
Year ended March 31, 2020					
Interest bearing borrowings*	8,91,03,358	-	4,93,76,016	-	13,84,79,374
Trade payables	18,60,696	-	-	-	18,60,696
Other financial liabilities#	70,19,978	-	-	-	70,19,978
	<u>9,79,84,032</u>	<u>-</u>	<u>4,93,76,016</u>	<u>-</u>	<u>14,73,60,048</u>
Year ended March 31, 2019					
Interest bearing borrowings*	8,79,55,462	-	4,47,85,468	-	13,27,40,930
Trade payables	1,70,05,367	-	-	-	1,70,05,367
	<u>10,49,60,829</u>	<u>-</u>	<u>4,47,85,468</u>	<u>-</u>	<u>14,97,46,296</u>

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Other financial liabilities includes interest accrued but not due of Rs. 70,19,976 (March 31, 2019 : Rs.NIL).

